



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

REGION IX

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San Francisco, CA 94105-3901

DEC 10 2009

Michael Dwyer, Project Manager
Bureau of Land Management
Ely Field Office
HC 33 Box 33500
Ely, Nevada 89301

Subject: Draft Supplemental Environmental Impact Statement for the One Nevada Transmission Line Project, Nevada [CEQ# 20090373]

Dear Mr. Dwyer:

The U.S. Environmental Protection Agency (EPA) has reviewed the Bureau of Land Management's (BLM) Draft Supplemental Environmental Impact Statement (DSEIS) for the One Nevada (ON) Line project. Our review and comments are provided pursuant to the National Environmental Policy Act (NEPA), the Council on Environmental Quality (CEQ) Regulations (40 CFR Parts 1500-1508), and Section 309 of the Clean Air Act (CAA).

The proposed project, as described in the DSEIS, would include the construction of a 236-mile long 500 kilovolt (kV) electric transmission line extending from the Robinson Summit Substation near Ely, Nevada to the Harry Allen Substation near Las Vegas, Nevada. The proposed project would also include the construction of the Robinson Summit Substation, a loop-in of the existing Falcon-Gondor 345 kV transmission line to the Robinson Summit Substation, the expansion of the Harry Allen Substation, the expansion of the Falcon Substation, and a fiber-optic line dedicated to operation of the transmission line.

The Notice of Intent for the ON Line Project Supplemental EIS was published in the Federal Register on July 29, 2009, and EPA submitted scoping comments on August 18, 2009. A DSEIS has been prepared because the proposed action was originally a part of the Ely Energy Center (EEC) project, which also included a 1,500 megawatt coal-fired power plant. The Draft Environmental Impact Statement (DEIS) for the EEC project was released in January 2009. On February 9, 2009, however, the project proponent (NV Energy) announced that it had indefinitely postponed construction of the power plant, but planned to proceed with the construction of the transmission line. In response to this information, EPA reviewed the transmission line components of the EEC DEIS and submitted comments on April 3, 2009. We rated the transmission line components of the EEC DEIS as EC-2, Environmental Concerns – Insufficient Information (See attached "Summary of EPA Rating System"). Although the DEIS included the transmission line as part of the overall EEC project, pursuit of the transmission line components, alone, was not analyzed as an independent alternative. We recommended that BLM consider publishing a Revised or Supplemental EIS. We also expressed concern about the identification of project components, purpose and need, alternatives analysis, potential adverse

impact to aquatic resources and endangered species, construction emissions, and greenhouse gas emissions.

We greatly appreciate the efforts of the BLM and its consultants to respond to our comments on the transmission line components of the DEIS. We are pleased to see that the BLM decided to publish a Supplemental EIS that focuses exclusively on the transmission line, as we recommended. Most of the issues identified in our review of that document have been addressed in greater detail in the DSEIS. In response to our comments, we note that the DSEIS includes a comprehensive discussion on project components, water resources, Section 404 permits, air resources, climate change, and greenhouse gas emissions. Accordingly, we have rated the DSEIS as LO, Lack of Objections (See attached "Summary of EPA Rating System").

We would like to offer a few recommendations for strengthening the Final Environmental Impact Statement (FEIS) so that the public and the decision maker(s) will be better informed about the project. We note that the alternatives analysis, particularly as it relates to alternatives that were dismissed, warrants further explanation. The DSEIS notes that there is a corridor along the west side of Nevada that could be utilized to connect the north and south service areas, but dismisses this alternative because it would not provide access to renewables in east and northeast Nevada. We note, however, that there is great potential to develop renewable resources in western Nevada, particularly solar and geothermal resources, and we wonder if this alternative was considered. We recommend that the FEIS include a more detailed explanation of this option and its viability as an alternative, instead of dismissing it with only one sentence, as was done in the DSEIS.

In our previous comments, we recommended that the EIS identify the locations of renewable resources in relation to the existing grid infrastructure, illustrate how the ON Line Project will aid in the development of renewable resources, and discuss the constraints associated with the existing grid infrastructure within Nevada. The DSEIS mentions the Nevada Renewable Energy Transmission Access Advisory Committee (RETAAC), but does not include any detailed information from their published reports. We recommend that the FEIS include maps illustrating renewable resource zones and proposed transmission interconnections, such as those identified in the Nevada RETAAC Phase 1 and Phase II Reports, and we suggest placing this information in an appendix.

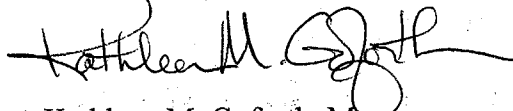
In the discussion of regulatory requirements, the DSEIS refers to the 2006 Integrated Resource Plan (IRP). We recommend that this discussion be revised to include more recent information presented in the 2009 IRP, if available. We note that the 2009 IRP was submitted in July 2009, but later withdrawn with the expectation that it would be resubmitted in December 2009. If there is any information in the 2009 IRP regarding a commitment to reserve capacity on the ON transmission line for renewable resources, we suggest discussing this within the FEIS.

Finally, as noted in the DSEIS, the BLM authorized the Right-of-Way (ROW) for the 500 kV Great Basin transmission line (Great Basin), which is located in the southern portion of the Southwest Intertie Project (SWIP) corridor, as is the ON Line project. As previously noted, we

recommend investigating whether components of the ON Line project could be constructed in conjunction with the Great Basin project in order to minimize disruption and disturbance to the environment. We continue to recommend that the FEIS discuss the feasibility of this option.

We appreciate the opportunity to review the DSEIS for the ON Line Project and are available to discuss our comments. Please send one hard copy of the FEIS and one CD ROM copy to this office at the same time it is officially filed with our Washington D.C. Office. If you have any questions, please contact me at (415) 972-3521, or contact Ann McPherson, the lead reviewer for this project, at (415) 972-3545 or mcpherson.ann@epa.gov.

Sincerely,

A handwritten signature in black ink, appearing to read "Kathleen M. Goforth". The signature is fluid and cursive, with a large initial "K" and a stylized "G".

Kathleen M. Goforth, Manager
Environmental Review Office

Enclosures: Summary of EPA Rating Definitions

SUMMARY OF EPA RATING DEFINITIONS*

This rating system was developed as a means to summarize EPA's level of concern with a proposed action. The ratings are a combination of alphabetical categories for evaluation of the environmental impacts of the proposal and numerical categories for evaluation of the adequacy of the EIS.

ENVIRONMENTAL IMPACT OF THE ACTION

"LO" (Lack of Objections)

The EPA review has not identified any potential environmental impacts requiring substantive changes to the proposal. The review may have disclosed opportunities for application of mitigation measures that could be accomplished with no more than minor changes to the proposal.

"EC" (Environmental Concerns)

The EPA review has identified environmental impacts that should be avoided in order to fully protect the environment. Corrective measures may require changes to the preferred alternative or application of mitigation measures that can reduce the environmental impact. EPA would like to work with the lead agency to reduce these impacts.

"EO" (Environmental Objections)

The EPA review has identified significant environmental impacts that should be avoided in order to provide adequate protection for the environment. Corrective measures may require substantial changes to the preferred alternative or consideration of some other project alternative (including the no action alternative or a new alternative). EPA intends to work with the lead agency to reduce these impacts.

"EU" (Environmentally Unsatisfactory)

The EPA review has identified adverse environmental impacts that are of sufficient magnitude that they are unsatisfactory from the standpoint of public health or welfare or environmental quality. EPA intends to work with the lead agency to reduce these impacts. If the potentially unsatisfactory impacts are not corrected at the final EIS stage, this proposal will be recommended for referral to the CEQ.

ADEQUACY OF THE IMPACT STATEMENT

"Category 1" (Adequate)

EPA believes the draft EIS adequately sets forth the environmental impact(s) of the preferred alternative and those of the alternatives reasonably available to the project or action. No further analysis or data collection is necessary, but the reviewer may suggest the addition of clarifying language or information.

"Category 2" (Insufficient Information)

The draft EIS does not contain sufficient information for EPA to fully assess environmental impacts that should be avoided in order to fully protect the environment, or the EPA reviewer has identified new reasonably available alternatives that are within the spectrum of alternatives analysed in the draft EIS, which could reduce the environmental impacts of the action. The identified additional information, data, analyses, or discussion should be included in the final EIS.

"Category 3" (Inadequate)

EPA does not believe that the draft EIS adequately assesses potentially significant environmental impacts of the action, or the EPA reviewer has identified new, reasonably available alternatives that are outside of the spectrum of alternatives analysed in the draft EIS, which should be analysed in order to reduce the potentially significant environmental impacts. EPA believes that the identified additional information, data, analyses, or discussions are of such a magnitude that they should have full public review at a draft stage. EPA does not believe that the draft EIS is adequate for the purposes of the NEPA and/or Section 309 review, and thus should be formally revised and made available for public comment in a supplemental or revised draft EIS. On the basis of the potential significant impacts involved, this proposal could be a candidate for referral to the CEQ.

*From EPA Manual 1640, Policy and Procedures for the Review of Federal Actions Impacting the Environment.